

## STATE, LOCAL and DISTRICT SALES and USE TAX RETURN

<b>DUE ON OR BEFORE</b> APRIL 30, 2001 <b>FOR</b> JANUARY THROUGH MARCH 2001	
[ FOID ]	YOUR ACCOUNT NO.

Mail to:

BOARD OF EQUALIZATION  
TAX AMNESTY PROGRAM  
PO BOX 942879  
SACRAMENTO CA 94279-0095

BOARD USE ONLY		
RA-TT	LOC	REG
RA-BTR	AACS	REF
EFF		

## READ SCHEDULE T - TAX ADJUSTMENT WORKSHEET and 01-1 RETURN INSTRUCTIONS BEFORE PREPARING THIS RETURN

1. TOTAL (GROSS) SALES	1.	\$	.00	PLEASE ROUND CENTS TO THE NEAREST WHOLE DOLLAR
2. PURCHASES SUBJECT TO USE TAX	2.		.00	
3. TOTAL (add lines 1 and 2)	3.		.00	
4. SALES TO OTHER RETAILERS FOR PURPOSES OF RESALE	50	\$	.00	
5. NONTAXABLE SALES OF FOOD PRODUCTS	51		.00	
6. NONTAXABLE LABOR (repair and installation)	52		.00	
7. SALES TO THE UNITED STATES GOVERNMENT	53		.00	
8. SALES IN INTERSTATE OR FOREIGN COMMERCE	54		.00	
9. SALES TAX (IF ANY) INCLUDED ON LINE 1	55		.00	
10. (a) BAD DEBT LOSSES ON TAXABLE SALES	56		.00	
(b) COST OF TAX-PAID PURCHASES RESOLD PRIOR TO USE	57		.00	
(c) RETURNED TAXABLE MERCHANDISE	58		.00	
(d) CASH DISCOUNTS ON TAXABLE SALES	59		.00	
(e) SECTIONS 6377 & 6378 - 4.75% STATE TAX EXEMPTIONS				
60(a) Amount subject to Manufacturer's Exemption	60(b) Amount subject to Teleproduction Exemption	60(c) Enter total of boxes 60(a) & 60(b)	(Multiply box 60(c) by .8261) Enter result in box 61	
\$	+	\$	=	\$
(f) OTHER (clearly explain)	90		.00	
11. TOTAL NONTAXABLE TRANSACTIONS REPORTED ON LINES 4 THRU 10(f) (add lines 4 thru 10(f))	11.		.00	
12. TRANSACTIONS SUBJECT TO STATE TAX (subtract line 11 from line 3)	12.		.00	
(a) Enter line 12, Column A amount, from Schedule T worksheet 12(a)		\$		
13. STATE TAX 5.75% (multiply line 12 by .0575 OR enter line 13(c) amount from Schedule T worksheet)	13.		.00	<
14. (a) TRANSACTIONS SUBJECT TO COUNTY TAX (add amount in box 61 (above) to line 12) Enter total here	14(a).		.00	
(b) COUNTY TAX 1/4% (multiply line 14(a) by .0025)	14(b).		.00	<
15. ADJUSTMENTS FOR LOCAL TAX (see line 15 instructions)	15.		.00	
16. TRANSACTIONS SUBJECT TO LOCAL TAX (add or subtract line 15 to or from line 14(a))	16.		.00	
17. LOCAL TAX 1% (multiply line 16 by .01)	17.		.00	<
18. DISTRICT TAX (from Schedule A, line A11) YOU MUST COMPLETE SCHEDULE A ON REVERSE IF YOU ARE ENGAGED IN BUSINESS IN A TRANSACTIONS TAX DISTRICT	18.		.00	<
19. TOTAL STATE, COUNTY, LOCAL AND DISTRICT TAX (add < lines 13, 14(b), 17 & 18)	19.		.00	
20. DEDUCT sales or use tax imposed by other states and paid on the purchase price of tangible personal property. Purchase price must be included in line 2	20.		.00	
21. NET TAX (subtract line 20 from line 19)	21.		.00	
22. Less PREPAYMENTS		\$ 1ST PREPAYMENT	\$ 2ND PREPAYMENT	Total Prepayment 22.
23. REMAINING TAX (subtract line 22 from line 21)	23.			.00
24. PENALTY of 10% (.10) is due if your tax payment is made, or your return is filed, after the due date shown above (see line 24 instructions)	PENALTY 24.			.00
25. INTEREST: One month's interest is due on tax for each month or fraction of a month that payment is delayed after the due date. The adjusted monthly interest rate is 1% (.01000) (12% divided by 12).	INTEREST 25.			.00
26. TOTAL AMOUNT DUE AND PAYABLE (add lines 23, 24 & 25)	26.	\$		.00

I hereby certify that this return, including any accompanying schedules and statements, has been examined by  
me and to the best of my knowledge and belief is a true, correct and complete return.

YOUR SIGNATURE AND TITLE		TELEPHONE NUMBER	DATE
PAID PREPARER'S USE ONLY	PAID PREPARER'S NAME	PREPARER'S SSN OR FEIN	
	FIRM'S NAME (or yours if self-employed)	BUSINESS ADDRESS	

TA1

**SCHEDULE A - COMPUTATION SCHEDULE FOR DISTRICT TAX**

**READ  
INSTRUCTIONS BEFORE  
PREPARING THIS  
SCHEDULE**

Please round cents to the  
nearest whole dollar

A1.	AMOUNT ON WHICH LOCAL TAX APPLIES (Enter amount from line 16 on the front of the return)		\$	.00
A2./A3.	DEDUCT Sales delivered to any location not in a district tax area 000		-	.00
A4.	AMOUNT OF DISTRICT TRANSACTIONS (subtract line A2/A3 from line A1) (Allocate this amount to the correct district tax areas in Column A5)		\$	.00

  

DISTRICT TAX AREAS		A5. ALLOCATE LINE A4 TO CORRECT DISTRICT(S)	A6./A7. ADD ( + ) / DEDUCT ( - ) ADJUSTMENTS	A8. TAXABLE AMOUNT A5 plus/minus A6/A7	A9. TAX RATE	A10. DISTRICT TAX DUE Multiply A8 by A9
*ALAMEDA Co.	011	.00	.00	.00	.01	\$ .00
*CONTRA COSTA Co.	025	.00	.00	.00	.01	.00
CITY OF PLACERVILLE (El Dorado Co.)	070	.00	.00	.00	.0025	.00
*FRESNO Co.	072	.00	.00	.00	.00625	.00
074 .....						
CITY OF CLOVIS (Fresno Co.) Public Safety Transactions & Use Tax	073	.00	.00	.00	.003	.00
*IMPERIAL Co. Local Transportation Authority	029	.00	.00	.00	.005	.00
046 .....						
*CITY OF CALEXICO Heffernan Hospital District	045	.00	.00	.00	.005	.00
INYO Co.	014	.00	.00	.00	.005	.00
CITY OF CLEARLAKE (Lake Co.)	058	.00	.00	.00	.005	.00
*LOS ANGELES Co.	036	.00	.00	.00	.01	.00
078 .....						
*CITY OF AVALON Avalon Municipal Hospital and Clinic	077	.00	.00	.00	.005	.00
MADERA Co.	034	.00	.00	.00	.005	.00
MARIPOSA CO.	076	.00	.00	.00	.005	.00
NAPA Co.	065	.00	.00	.00	.005	.00
*NEVADA Co. Public Library Transactions & Use Tax	067	.00	.00	.00	.00125	.00
069 .....						
*TOWN OF TRUCKEE Road Maintenance Transactions & Use Tax	068	.00	.00	.00	.005	.00
ORANGE Co.	037	.00	.00	.00	.005	.00
RIVERSIDE Co.	026	.00	.00	.00	.005	.00
SACRAMENTO Co.	023	.00	.00	.00	.005	.00
SAN BERNARDINO Co.	031	.00	.00	.00	.005	.00
SAN DIEGO Co.	013	.00	.00	.00	.005	.00
*SAN FRANCISCO Co.	052	.00	.00	.00	.0125	.00
SAN JOAQUIN Co.	038	.00	.00	.00	.005	.00
*SAN MATEO Co.	019	.00	.00	.00	.01	.00
SANTA BARBARA Co.	030	.00	.00	.00	.005	.00
*SANTA CLARA Co.	064	.00	.00	.00	.01	.00
*SANTA CRUZ Co.	062	.00	.00	.00	.0075	.00
SOLANO Co.	066	.00	.00	.00	.00125	.00
SONOMA Co.	039	.00	.00	.00	.0025	.00
STANISLAUS Co.	059	.00	.00	.00	.00125	.00
CITY OF WOODLAND (Yolo Co.)	075	.00	.00	.00	.005	.00
A11.	TOTAL DISTRICT TAX. Add Column A10. (Enter here and on line 18 on front of return)					\$ .00

\* This district tax area includes more than one transactions and use tax district. (See Instructions for Schedule A)

**SCHEDULE T - TAX ADJUSTMENT WORKSHEET****DUE ON OR BEFORE** APRIL 30, 2001 **FOR** JANUARY THROUGH MARCH 2001**[ FOID****]**

YOUR ACCOUNT NO.

**SCHEDULE T MUST BE ATTACHED TO YOUR RETURN**

PLEASE READ INSTRUCTIONS BEFORE PREPARING THIS SCHEDULE	COLUMN A TRANSACTIONS PRIOR TO 1/1/01	COLUMN B TRANSACTIONS ON/OR AFTER 1/1/01	COLUMN C TOTAL
1. TOTAL (GROSS) SALES	.00	.00	.00
2. PURCHASES SUBJECT TO USE TAX	.00	.00	.00
3. TOTAL <i>(add lines 1 and 2)</i>	.00	.00	.00
4. SALES TO OTHER RETAILERS FOR THE PURPOSE OF RESALE	.00	.00	.00
5. NONTAXABLE SALES OF FOOD PRODUCTS	.00	.00	.00
6. NONTAXABLE LABOR	.00	.00	.00
7. SALES TO THE UNITED STATES GOVERNMENT	.00	.00	.00
8. SALES IN INTERSTATE OR FOREIGN COMMERCE	.00	.00	.00
9. SALES TAX (IF ANY) INCLUDED IN LINE 1	.00	.00	.00
10. a) BAD DEBT LOSSES ON TAXABLE SALES	.00	.00	.00
b) COST OF TAX-PAID PURCHASE RESOLD	.00	.00	.00
c) RETURNED TAXABLE MERCHANDISE	.00	.00	.00
d) CASH DISCOUNTS ON TAXABLE SALES	.00	.00	.00
e) Sections 6377 & 6378 - STATE TAX EXEMPTIONS			
60(a) Amount subject to 5% Manufacturer's Exemption \$ <input type="text"/> + 60(b) Amount subject to 5% Teleproduction Exemption \$ <input type="text"/> = 60(c) Enter total of boxes 60(a) & 60(b) \$ <input type="text"/> (Multiply box 60(c) by .8333) Enter result in Column A	.00		
60(a) Amount subject to 4.75% Manufacturer's Exemption \$ <input type="text"/> + 60(b) Amount subject to 4.75% Teleproduction Exemption \$ <input type="text"/> = 60(c) Enter total of boxes 60(a) & 60(b) \$ <input type="text"/> (Multiply box 60(c) by .8261) Enter result in Column B		.00	
Add Columns A and B; enter total in Column C and in line 10(e), box 61, on the front of the return.	Enter this total in Box 61 on the return >		.00
f) OTHER	.00	.00	.00
11. TOTAL NONTAXABLE TRANSACTIONS REPORTED ON LINES 4 THRU 10(f)	.00	.00	.00
12. TRANSACTIONS SUBJECT TO STATE TAX <i>(subtract line 11 from line 3)</i> for each column: <b>Enter</b> amount from Column A on line 12(a) of the return; <b>Enter</b> the amount from Column C on line 12 of the return	.00	.00	.00
TAX RATE <i>(multiply line 12 by this state sales and use tax rate)</i>	x 0.06	x 0.0575	
13. STATE TAX			
a) Adjusted for state sales and use tax rate change PRIOR to 1/1/01	.00		
b) Adjusted for state sales and use tax rate change ON/OR AFTER to 1/1/01		.00	
c) Add lines 13a and 13b; enter total in Column C and on line 13 of the return			.00

**INSTRUCTIONS FOR PREPARING SCHEDULE T FOR THE BOE-401-A OR BOE-401-GS RETURNS**

Schedule T is designed to report transactions that occurred prior to January 1, 2001. These transactions must be separated because of the .25 percent (1/4%) decrease in the state sales and use tax rate that took effect January 1, 2001.

**Note:** Include this worksheet with your return and keep a copy for your records.

<b>COLUMN A</b> Enter transactions that occurred prior to January 1, 2001.	+	<b>COLUMN B</b> Enter transactions that occurred on or after January 1, 2001.	=	<b>COLUMN C</b> Enter the total of Columns A and B
Do not enter amounts in shaded areas.		Do not enter amounts in shaded areas.		Do not enter amounts in shaded areas.

**SPECIAL INSTRUCTIONS FOR COLUMN A****Lines 1-10**

For an explanation of these entries, please refer to your enclosed Sales and Use Tax Return Instructions.

**NOTE - Line 10 entries for Column A**

Your entries for line 10 must be entered as credit (or minus) amounts. Otherwise, you may overpay tax. Your line 10 entries may result in a credit (or minus) total on lines 12 and 13(a).

**Line 12**

Be sure to **transfer** the total in line 12, Column A, to line 12(a) of your return.

**Multiply** your answer in Line 12, Column A, by 0.06 and enter the total in Line 13 (a).

**SPECIAL INSTRUCTIONS FOR COLUMN B****Lines 1-10**

For an explanation of these entries, please refer to your enclosed Sales and Use Tax Return Instructions.

**Line 12**

Multiply your answer in line 12, Column B, by 0.0575 and enter the total in line 13(b).

**SPECIAL INSTRUCTIONS FOR COLUMN C****Lines 1-10**

For an explanation of these entries, please refer to your enclosed Sales and Use Tax Return Instructions.

Transfer the totals for lines 1-13 to the front of your return, as indicated.

After you have transferred information from your worksheet to the front of your return, you must complete the remaining lines of your return (lines 14 and following).

**Line 13 (c)**

In calculating your total, be sure to adjust for any credit (or minus) amount in lines 13(a) and/or 13(b).

**Need assistance? Call our Information Center, 1-800-400-7115.**

**To speak to a Customer Service Representative, call between 8:00 a.m. and 5:00 p.m., Monday through Friday, excluding State holidays.**



STATE BOARD  
OF EQUALIZATION

# State, Local, and District Sales and Use Tax Return

## Return and Schedule A Instructions 01-1



### General Information

These instructions are provided to help you complete your California sales and use tax return. If you need help, please call the toll-free Information Center at 1-800-400-7115. Our customer service representatives can help you with general tax questions. They are available from 8:00 a.m. to 5:00 p.m., Pacific time, Monday-Friday, excluding holidays. For TDD (telephone device for the deaf) assistance, please call 1-800-735-2929 (TDD phone) or 1-800-735-2922 (voice phone).

Due to the .25 percent (¼%) state sales and use tax rate decrease, effective January 1, 2001, a new tax adjustment worksheet (BOE-531-T, Schedule T – Tax Adjustment Worksheet) has been added to your BOE-401-A and BOE-401-GS Sales and Use Tax Returns. This worksheet will enable you to calculate your tax liability if you have transactions or tax recovery deductions, which occurred before the January 1, 2001 tax rate change.

#### BOARD MEMBERS

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#### EXECUTIVE DIRECTOR

JAMES E. SPEED  
Sacramento

### Filing Your Return

The BOE-401-A and BOE-401-GS returns are used to report taxes due under the California Sales and Use Tax Law, the Uniform Local Sales and Use Tax Law, and the Transactions (Sales) and Use Tax Law, which are administered by the State Board of Equalization.

You must file a return even if you do not owe taxes for the reporting period. If you will be filing your return late, you may qualify for an extension. To request an extension, you will need to complete form BOE-468, Request for Extension of Time to File. You may request a copy of the form by calling 1-800-400-7115. You can also download a copy from our website at [www.boe.ca.gov](http://www.boe.ca.gov), under "Forms and Publications." If you do not file a return, we may bill you for an estimated tax amount.

When completing your return, please remember . . .

- You should round off to the nearest whole dollar.
- If you have transactions and/or tax recovery deductions, which occurred before the January 1, 2001 tax rate change, you must complete the BOE-531-T.
- You must complete Schedule A, *Computation Schedule for District Tax* (see pages 6-8).
- Be sure to sign and mail your return.

### Payment Methods

If you are registered with the Board to pay taxes by electronic funds transfer (EFT), you must continue to use that method. Otherwise, you can pay as follows:

- *Check or money order.* Make your check payable to the Board of Equalization and write your account number on the check or money order. Be sure to enclose your payment with the return.
- *Credit card.* You can charge your tax return payment if you have a Discover/Novus, MasterCard, or American Express credit card. Other cards cannot be accepted. Credit card payments can be made by calling 1-800-2PAY-TAX (1-800-272-9829) or through our website at [www.boe.ca.gov](http://www.boe.ca.gov) under "Electronic Services". After making your payment, check the box on your return indicating you have paid by credit card. This will ensure that your return is matched to your credit card payment.

The credit card processing vendor will charge a convenience fee of 2.5 percent of the amount charged. This convenience fee is not revenue to the Board.

*Note:* You cannot use a credit card to pay a tax liability for which you have been billed by the Board.

### Paid Preparer

If a paid preparer completes the return, that preparer must enter his or her name, social security number or federal employer identification number, and business name and address in the space provided on the return. Make a copy of the return for your records.

Published by the  
California State Board  
of Equalization  
PO Box 942879  
Sacramento,  
CA 94279-0001  
[www.boe.ca.gov](http://www.boe.ca.gov)



## Lines 1 thru 3

### Sales • Purchases Subject to Use Tax

#### Line 1. Total Sales (gross receipts)

Enter your total taxable and nontaxable sales for the reporting period, including lease and rental receipts.

Report all sales (in any manner) related to California business. You will deduct nontaxable transactions on lines 4 through 10(f).

##### Notes:

- Include all charges related to your sales, such as labor, service, and shipping and handling charges.
- If you sold any business assets, such as fixtures and equipment, during the reporting period, you must report the sale. If you are filing a final return and reporting the sale of business assets, please call for assistance.
- Your "total sales" may include amounts for California sales or use taxes. If this is the case, be sure to deduct those tax amounts on line 9. If you do not, you will overpay tax.

#### Line 2. Purchases Subject to Use Tax

Enter your total *purchases* that are subject to tax, as explained below.

Your purchases of merchandise, equipment, and other tangible personal property are subject to tax and must be reported if you

- Purchased the property from an out-of-state retailer who did not collect California use tax, or
- Purchased the property with a resale certificate or other exemption certificate

AND

- Used the property in California for a purpose other than (1) resale or (2) demonstration, retention, or display while holding it for sale in the regular course of business

You must also report your purchase of a vessel or aircraft if you (1) purchased it from an unlicensed retailer who did not charge tax on the transaction and (2) used the property for a purpose other than resale as described above.

Enter the amount you paid for the property (see notes in next column).

##### Notes:

- If you paid another state's sales or use tax on your purchase, do not include the

tax payment as part of your purchase price. You may be eligible for a credit for the other state's tax (see line 20).

- You should report the purchase on the tax return for the reporting period during which you first used the property in California.

#### Line 3.

Add lines 1 and 2. Enter the result on line 3.

## Lines 4 thru 10(f)

### Exemptions • Deductions

*The following transactions are not subject to tax and will be subtracted from the total on line 3.*

*You cannot claim a deduction for a transaction unless it has been reported on line 1 or 2 of this return or a previous return. If you did not report the original sale, you cannot claim a deduction related to that sale.*

*You must maintain records that support all claimed deductions.*

#### Line 4. Sales to Other Retailers for Purposes of Resale

Enter your total sales to other sellers who submitted resale certificates to you for their purchases.

In general, you can accept resale certificates from other sellers who are buying property to resell in the regular course of business. If you obtain a timely and valid resale certificate, taken in good faith, tax will not apply to your sale.

To be valid, resale certificates must contain specific information. For more information, see Regulation 1668, *Resale Certificates*.

You can verify the validity of seller's permits by calling the Board's Seller's Permit Verification service at 1-888-225-5263 or by visiting our web page at [www.boe.ca.gov](http://www.boe.ca.gov).

#### Line 5. Nontaxable Sales of Food Products

Enter your *nontaxable* sales of food products sold for human consumption.

Whether food product sales are taxable depends on many conditions, including who makes the sale, where the sale occurs, who the customer is, and what is sold. For example, the following sales are generally taxable and should not be deducted:

- Sales of alcoholic and carbonated beverages
- Sales of hot prepared food products
- Sales of meals or food sold for consumption at your place of business or sold for consumption in a place where admission is charged

For more information on food sales, request a copy of Regulation 1602, *Food Products*, or Regulation 1603, *Taxable Sales of Food Products*. Vending machine operators should order Regulation 1574, *Vending Machine Operators*.

#### Line 6. Nontaxable Labor

Enter labor charges for *installing* premanufactured property or for *repairing* or *reconditioning* property to restore it to its original use.

*Note:* Labor charges for making or fabricating a new product (such as labor charges for making a ring or furniture), or for assembling a product, are generally taxable and should not be deducted. Tax applies even if your customer provides the property that you fabricate.

(Regulation 1546, *Installing, Repairing, Reconditioning in General*)

#### Line 7. Sales to the United States Government

Enter sales made to:

- The United States government or its unincorporated agencies and instrumentalities, such as the following federal departments: Treasury, Interior, Agriculture, or Defense
- Any incorporated agency or instrumentality of the United States wholly owned by either the United States, or by a corporation wholly owned by the United States
- The American Red Cross, its chapters and branches
- Federal reserve banks, federal credit unions, federal land banks, and federal home loan banks

*Note:* Sales made to the State of California or to cities and counties and local governments in the state are generally taxable and should not be deducted. They are treated like any other sale.

(Regulation 1614, *Sales to the United States and Its Instrumentalities*)

#### Line 8. Sales in Interstate or Foreign Commerce

Enter sales that are exempt from tax as interstate or foreign commerce (sales involv-

ing shipments or deliveries from California to points outside this state).

For a sale to be exempt, the sales agreement or contract must require the property to be shipped to an out-of-state point, and you must either

- Use your company vehicle (or other conveyance operated by your business) to ship the property to that location, or
- Deliver the property to a carrier, customs broker, or forwarding agent for shipment outside this state

(Regulation 1620, *Interstate and Foreign Commerce*)

## Line 9. Sales Tax

Enter an amount on this line only if the amount you reported on line 1 includes California sales or use taxes. Enter only the tax amounts that are included on line 1.

(Regulation 1700, *Reimbursement for Sales Tax*)

## Line 10(a). Bad Debt Losses

Enter bad debt losses, as described below.

If you have reported a taxable sale and have been unable to collect payment for the sale, you may take a deduction for the bad debt.

Bad debts may take the form of:

- Checks that have been returned to you unpaid by the purchaser's bank and which you have determined to be uncollectible, or
- Amounts from charge or credit sales that you have determined to be uncollectible

The bad debts must be charged off for income tax purposes, or if you are not required to file income tax returns, the bad debts must be charged off in accordance with generally accepted accounting principles.

Enter only the amount of the sale *before* tax. For example, if the merchandise had been sold for \$15 plus sales tax, you would claim only \$15 as a deduction.

If you claim a bad debt deduction and later recover payment, you must report the payment on the tax return filed for the period in which the recovery payment was made.

You must adjust the amount you report for transactions that occurred during a period when the state or county tax rates were different than the current rates. Call for assistance.

(Regulation 1642, *Bad Debts*)

## Line 10(b). Cost of Tax-Paid Purchases Resold Prior to Use

You may claim a deduction on this line if you

- Paid California sales or use tax when purchasing goods or merchandise, and
- Sold the property without first using it (other than retaining, demonstrating, or displaying it while holding it for sale in the regular course of business)

Enter only the amount of the purchase *before* tax. For example, if the property was sold to you for \$15 plus tax, you would claim only \$15 as a deduction.

You must take this deduction in the reporting period during which you made the sale (otherwise, you must file a claim for refund of the tax).

You must adjust the amount you report for purchases that occurred during a period when the state or county tax rates were different than the current rates. Call for assistance.

(Regulation 1701, *Tax-Paid Purchases Resold*)

## Line 10(c). Returned Taxable Merchandise

Enter amounts you credited or refunded to customers for returned taxable merchandise, as described below.

You can take this deduction only if

- You returned or credited to your customer the full sales price, including sales tax charges, *and*
- The customer, in order to obtain the refund or credit, is not required to purchase other property at a price greater than the amount charged for the property returned.

Claim only the amount of the sale *before* tax. For example, if the returned merchandise had been sold for \$15 plus sales tax, you would claim only \$15 as a deduction.

You must adjust the amount you report for transactions that occurred during a period when the state or county tax rates were different than the current rates. Call for assistance.

(Regulation 1655, *Returns, Defects and Replacements*)

## Line 10(d). Cash Discounts on Taxable Sales

If you gave a cash discount to a customer on a taxable sale, enter the amount of the discount here.

You can claim a deduction on this line only if you reported the full (undiscounted) selling price on line 1. Do not use this line if you reported the discounted selling price on line 1 of this return or a previous return. In addition, you must ensure that you do not collect from your customer more tax than the amount due on the discounted price. If you collect more than the amount due on the discounted price, you cannot claim this deduction.

You must adjust your total for this line if any of the transactions occurred during a period when the state or county tax rates were different than the current rates. Call for assistance.

(Regulation 1671, *Trading Stamps and Related Promotional Plans*; Regulation 1700, *Reimbursement for Sales Tax*)

## Line 10(e). 4.75% State Tax Exemptions: Section 6377, Manufacturer's Section 6378, Teleproduction

**Manufacturer's Exemption, Box 60(a)**

Complete this box if

- You made a sale to a purchaser who used a manufacturer's exemption certificate to make his or her purchase, as described below, or
- You are an exempt manufacturer who made a purchase subject to use tax, as described below.

In general, businesses that qualify for the manufacturer's exemption are those who first conducted business in California on or after January 1, 1994. The business must be involved in manufacturing, processing, refining, fabricating, recycling, or research and development. Furthermore, the business must apply to the state for its exempt status and receive approval for the exemption. Specific definitions of qualified persons and of property qualifying as exempt, and rules regarding required exemption certificates, are available from any Board office.

*Sales made to exempt manufacturers.* Sales of qualified property are exempt from a portion (4.75%) of the state sales tax when they are purchased with a valid manufacturer's certificate (they are not exempt from city, county, or district sales taxes).

**Notes:**

- If your total sales or lease payments exceed \$25,000 to any single qualified manufacturer, you must attach a copy of the exemption certificate submitted to you by that individual and, if applicable, a copy of the lease contract.

- The sale for which you are claiming an exemption must have been reported on line 1 of your return.

A Qualified purchaser must provide the retailer with a *Section 6377 Manufacturer's Exemption Certificate*; otherwise, the exemption will not be allowed. The exemption certificate must be submitted to the retailer no later than 60 days after the date of purchase.

*Qualified purchases made by an exempt manufacturer.* If you purchased qualified property and your purchase is subject to use tax (reported on line 2 of your return), the purchase is exempt from a portion (4.75%) of the state use tax (it is not exempt from city, county, or district use taxes).

(Regulation 1525.2, *Manufacturing Equipment*)

#### **Teleproduction Exemption, Box 60(b)** *Effective January 1, 1999*

Complete this box to claim a partial tax exemption for sales or purchases made by qualified persons of tangible personal property used primarily:

- In teleproduction or other postproduction services for film or video that include editing, film and video transfers, transcoding, dubbing, subtitling, credits, close captioning, audio production, special effects (visual or sound), graphics, or animation, or
- With respect to property with a useful life of at least one year, to maintain, repair, measure, or test property used primarily in teleproduction or other postproduction services

A qualified person is a business that is primarily engaged in providing the specialized motion picture or video postproduction services described above.

A qualified purchaser must provide the retailer with a *Section 6378 Exemption Certificate*; otherwise, the exemption will not be allowed.

This exemption does not apply to any tangible personal property that is used primarily in administration, general management, or marketing (used 50 percent or more of the time in one or more of those activities).

(Regulation 1532, *Teleproduction or Other Postproduction Service Equipment*)

To compute the amount to be claimed, on line 10(e), enter in boxes 60(a) and 60(b) the amount of the sales and purchases for the exempt property (excluding tax). Enter the sum of both boxes in box 60(c). Multiply the amount in 60(c) by 0.8261. Enter the result in Line 10(e).

## **Line 10(f). Other Deductions**

You may be entitled to claim other deductions in addition to those allowed on lines 4 through 10(e). Enter the amount for those deductions here. Each deduction must be clearly explained.

Examples of transactions that may be deductible include the following:

- Sales by pharmacists of prescription medicines for use by humans. (Regulation 1591, *Medicines and Medical Supplies, Devices and Appliances*)
- Transportation charges for delivering goods to a purchaser by an independent carrier (the transportation charges must be separately stated on the invoice). If you charge more for delivery than your actual costs, the added amount is subject to tax and cannot be deducted. (Regulation 1628, *Transportation Charges*)
- Sales of animals, seeds, annual plants and fertilizer, used as, or used to produce, food for human consumption. (Regulations 1587, *Animal Life and Feed*, and 1588, *Seeds, Plants and Fertilizers*)

For more information, request a copy of Pamphlet 61, *Sales and Use Taxes: Exemptions and Exclusions*.

## **Lines 11 thru 26** **Tax Calculations**

### **Line 11. Total Nontaxable Transactions Reported on Lines 4 through 10(f)**

Add lines 4 through 10(f). Enter the result on line 11.

### **Line 12. Transactions Subject to State Tax**

Subtract line 11 from line 3. Enter the result on line 12.

### **Line 12(a). Transactions Subject to the Sales Tax Rate Change**

If you have transactions and/or tax recovery deductions that occurred before the January 1, 2001 state sales and use tax rate decrease, you must complete the BOE-531-T, which is included with your return. Detailed instructions to complete the worksheet are included on the back of the form.

## **Line 13. State Tax 5.75%**

Multiply line 12 by 0.0575. Enter the result on line 13. **Note:** If you are required to complete the BOE-531-T, please enter the total from line 13(c) of the worksheet on line 13 on the front of the return.

### **Line 14(a). Transactions Subject to County Tax**

Add the amount in box 61 (see line 10e) to line 12. Enter the result on line 14(a).

### **Line 14(b). County Tax 1/4%**

Multiply line 14(a) by 0.0025. Enter the result on line 14(b).

### **Line 15. Adjustments for Local Tax**

*Complete this line if you sold or purchased property for use by an aircraft common carrier, as described below. If you make an entry for this line, you may also need to include a schedule that shows where the property was sold or used.*

Sales of property to (and purchases made by) aircraft operators are exempt from district tax and partially exempt from local and county tax if

- The aircraft is operated by a common carrier according to the laws of California, the United States, or a foreign government, and
- The property is used or consumed directly and exclusively in the use of the aircraft as a common carrier of persons or property, and
- The property is used or consumed principally outside the county in which the sale was made.

**Note:** The exemption does not apply to the sale or purchase of fuel and petroleum products.

If you made a sale or purchase that meets the conditions described above, you must enter an amount on line 15, as described below.

#### **Adjustment for taxable sales**

The sale of supplies and equipment, other than fuel and petroleum products, purchased and used as described above, is exempt from the 1% local tax.

To calculate this adjustment:

- Be sure the sales price has been included on line 1.
- Enter the sales price on line 15. This amount will be subtracted from the total on line 14(a).



If you are a multiple outlet seller, please attach a schedule showing the sales price by the place of sale. You can attach your own listing, or you can request a copy of form BOE-531-X: *Schedule X, Detailed Allocation by County of Sales Exempt from Local Tax*.

#### **Adjustment for purchases**

If you purchased property on which you paid state, county, and local tax and used the property as an aircraft common carrier for an exempt purpose, as described above, your purchase is exempt from the 1% local tax.

Enter the purchase price of the property on line 15.

Please attach a schedule showing the purchase price by county of use. You can attach your own listing, or you can request a copy of form BOE-531-X: *Schedule X, Detailed Allocation by County of Sales Exempt from Local Tax*.

(Regulation 1805, *Aircraft Common Carriers*)

### **Line 16. Transactions Subject to Local Tax**

Add or subtract line 15 to or from line 14(a). Enter the result on line 16.

### **Line 17. Local Tax 1%**

Multiply line 16 by 0.01. Enter the result on line 17.

### **Line 18. District Sales and Use Tax**

You must complete Schedule A, *Computation Schedule for District Tax*. See pages 6 and 7 for more information.

### **Line 19. Total State, County, Local and District Tax**

Add lines 13, 14(b), 17, and 18. Enter the result on line 19.

### **Line 20. Property Purchased Out of State for Use in California (credit for another state's tax charges)**

Enter the amount of tax paid on this line if

- The property was purchased out of state and brought into California for use, consumption, or storage in this state, and not for resale in the regular course of business, and

- You paid another state's sales or use tax charges on the property, and
- You are not entitled to a tax refund from the other state, and
- Your liability for tax in the other state occurred prior to your use, storage, or consumption of the property in California, and
- You have reported the purchase price on line 2, "Purchases Subject to Use Tax."

#### **Notes:**

- The amount of your tax credit cannot exceed the total of the applicable California state, county, local and district taxes in effect at the time of the use. For example, if you paid 8% sales tax charged by another state and used the property in California in an area where the total state, county, local, and district tax rate was 7.75%, you could not claim more than a 7.75% credit.
- If you are required to complete either Schedule B or C, attach a separate schedule fully explaining the credit taken on line 20, the location where the property was used, its purchase price, and the amount of tax paid in other states.
- You may be required to present documentation to substantiate the credit taken against California tax (such as a purchase invoice or similar document showing the name and address of the seller, date of purchase, purchase price, and amount of sales or use tax paid).

Please contact the Information Center if you are uncertain as to the correct amount of credit to claim.

**Note—Fuel sellers:** Please complete the Schedule G, *Fuel Seller's Supplement to Return*, included with your sales and use tax return (BOE-401-GS). The amount entered on line G-5 of the schedule should also be entered on line 20 of the return.

### **Line 21. Net Tax**

Subtract line 20 from line 19. Enter the result on line 21.

### **Line 22. Tax Prepayments**

Complete this line only if you are required to make tax prepayments. (Businesses with average monthly taxable transactions of \$17,000 or more must make prepayments, once notified by the Board.)

Enter the prepayment amounts in the proper spaces. This credit is limited to the amounts of tax prepaid and should not include penalties or interest charges reported with your prepayments.

**Note:** If you sell fuel and pay sales tax to your fuel supplier, do not use this line to claim a credit for those tax payments. Credit can be claimed on Schedule G, *Fuel Seller's Supplement to Return*.

### **Line 23. Remaining Tax**

Subtract line 22 from line 21. Enter the result on line 23.

### **Line 24. Penalty**

If your tax payment is made, or your tax return is filed, after the due date shown at the top of the return, you must pay a 10% penalty. Multiply line 23 by 0.10 and enter the result on line 24.

Returns and payments must be postmarked or received by the due date of the return to be considered timely. If the due date falls on a Saturday, Sunday, or state holiday, returns postmarked or received by the next business day will be considered timely.

*Businesses required to pay sales and use taxes by electronic funds transfer (EFT) may also be subject to a 10% penalty for failure to pay by EFT (payment made by check, for example). However, a 10% maximum penalty applies to returns and return payments after January 1, 1997.*

### **Line 25. Interest**

If your payment is late (see line 24 instructions for an explanation of due dates), you must pay interest charges in addition to penalty charges.

You owe one month's interest for each month or portion of a month the payment is overdue. For example, if your payment is one month and two weeks overdue, you owe two months' interest.

Using the interest rate printed on line 25 of your return, multiply the rate times the total tax owed. Enter the result on line 25.

**Reminder:** If you owe two or more months' interest, as described above, you must multiply the amount due by the number of months overdue.

### **Line 26. Total Amount Due and Payable**

Add lines 23, 24, and 25. Enter the result on line 26.

See page 1 for acceptable payment methods.

## Schedule A

### Computation Schedule for District Tax

Complete Schedule A and transfer the amount calculated on line A11 to line 18 on the front of the return. Instructions for Schedule A are provided on the next page. A listing of district taxes and their effective dates is provided on page 8.

#### What is Schedule A?

Schedule A, *Computation Schedule for District Tax*, is used to determine the amount of tax, if any, that should be distributed to entities imposing district tax.

#### What are district taxes?

District taxes are voter-approved taxes levied under the transactions and use tax law. Most, but not all, apply countywide (for example, the Bay Area Rapid Transit District encompasses three counties). Many district taxes are imposed by entities specially formed to levy the tax and administer the proceeds (for example again, the Bay Area Rapid Transit District), but some are levied directly by counties (for example, the Santa Clara County General Fund District), and an increasing number are levied by cities (for example, Town of Truckee Road Maintenance Transactions and Use Tax). As shown on the table on page 8, district rates vary from 0.0125 to 0.50 percent, and some business locations may be in more than one district.

#### Who must pay district taxes?

In general, you must report and pay district transactions (sales) and use taxes if you

- Are a retailer located in the district and your merchandise is sold and delivered within the district.
- Are a retailer located outside the district who is *engaged in business* in the district and you sell merchandise for use in the district. You are considered to be engaged in business in the district if you (1) have any type of business location there, (2) deliver into the district using your own vehicles, or (3) have an agent or representative in the district who makes sales, takes orders, or makes deliveries.
- Are a dealer of vehicles, vessels, or aircraft, and you sell those items to persons who will register them in the district.
- Collect tax on lease payments you receive for leased property used by the lessee in the district.
- Purchase goods and merchandise without payment of the district tax and use the property in the district for a purpose other than for (1) resale or (2) demonstration, retention, or display while holding it for resale in the regular course of business.

#### Where can I get more information?

For information on how to apply district taxes, request a copy of Pamphlet 44, *Tax Tips for District Taxes*. For information on district rates by city and county, request a copy of Pamphlet 71, *California City and County Sales and Use Tax Rates*.

## Other Schedules

If you have received other schedules to complete with your return, please refer to those schedules for instructions.

### Form BOE-345

#### Claim for Refund or Credit

(mailed with returns)

If you are submitting a claim for a tax refund or credit with your return, you must:

- Let us know how the tax overpayment occurred. Write your explanation at the bottom of the claim form (attach additional sheets if necessary).
- Include adequate documentation to prove your claim. If you do not, your claim could be delayed. You may be asked to provide additional information.

*Do not take a credit against the taxes that are due on your current return.* Wait until you have heard from us. If you claim a refund or credit prior to Board approval, you will be billed for unapproved refund or credit amounts, plus interest and penalties.

Please note:

You have three years to file a claim for refund or credit (starting from the date when the taxes were originally due). Your claim must be received by the Board within that time. See Revenue and Taxation Code section 6902 for additional information regarding the statute of limitations.

If you have filed a claim and wish to check on the status of your application, please call the Refund Section at 916-445-1315.

## Instructions for Completing Schedule A

### Step 1. Calculate which sales, if any, are subject to district tax.

**A1.** Enter the total from line 16 (see front of the return).

**A2/A3.** Enter the following sales, which are not subject to district tax (these will be subtracted from the total on line A1):

- Sales of property delivered to customers at a location where there is no district tax in effect, for use in that location (for example, property delivered to Kern County, which has no special tax districts).
- Sales of property (other than vehicles, aircraft, and vessels) delivered to customers at a district where you are *not* engaged in business, for use in that district. See page 6, "Who must pay district taxes?" for an explanation of *engaged in business*.

**A4.** Subtract A2/A3 from A1. Enter the result on A4.

If none of your sales are subject to district tax and you have no adjustments for prior periods, enter \$0.00 on lines A4 and A11. You do not need to complete lines A5 through A10.

### Step 2. Enter your sales for the appropriate district(s).

**A5.** Using the total from line A4, list your transactions by the correct districts.

*Example.* If your total on line A4 showed \$3,000 and all transactions were subject to district tax in Los Angeles County, you would enter \$3,000 next to "LOS ANGELES Co." in column A5. If the \$3,000 total on line A4 represented \$2,000 in sales for Los Angeles County and \$1,000 in sales for Orange County, you would enter the \$2,000 and \$1,000 next to the appropriate counties.

*Special reporting requirements for cities imposing a district tax:*

If a city imposing a district tax is located in a county that imposes a district tax, transactions that are subject to the city district tax are also subject to the county district tax. In such instances, you must

report the full dollar amount of the transaction(s) for both the city district and the county district. For example, transactions subject to the city of Cal-exico Heffernan Hospital District tax are also subject to the Imperial County Local Transportation Authority district tax and must be reported for both districts.

### Step 3. Adjustments

**A6/A7.** Entries on this line will increase or decrease the amount of tax distributed to a district. Make entries only for those districts that require an adjustment. There does not need to be an entry in column A5 in order to make an adjustment in column A6/A7.

Please attach to your return an explanation of adjustments.

Add and subtract the following adjustments, by district, and enter the result in column A6/A7, for the appropriate district. The result may be either a plus (+) or minus (-) amount.

#### Add the following:

- *Claimed deductions that were taxed at a lower rate than the current rate.* If you claimed a deduction on the front of your return for bad debts, tax-paid purchases resold, returned merchandise, or cash discounts and if those transactions were originally taxed at a lower rate than the current rate, add the total for those transactions (by district).
- *Items you purchased without paying district tax.* If you purchased goods on which you paid state and local tax but did not pay district tax to the vendor, and if you made a taxable use of the property in a tax district, add the price of the goods for that district.
- *Amounts collected for a discontinued district.* If you collected taxes for a district that has been discontinued and have not paid those taxes to the Board, add the amounts on which those taxes were collected. Do not enter those amounts on line A5. If a discontinued district is not listed, call for assistance.

#### Deduct the following:

- *Transactions included in line A5 that represent the sale or use of property occurring prior to the effective date of a district.*
- *Fixed-price contracts.* Deduct the sales price or lease payments (excluding amounts collected as tax) for qualifying fixed-price contracts. A fixed-price contract is one entered into prior to the effective date of the district tax, which (1) fixes the amount of the sales or lease price and (2) specifically states the amount or rate of tax based on the rate in effect when the contract was executed. Neither party to the contract may have the right to terminate the contract upon notice. (See Regulation 1661 for information on leases of mobile transportation equipment.)
- *Property used outside the district.* If you paid district tax on a purchase and first used the property in a different district, you may need to enter adjustments on A6/A7. Call for assistance.
- *Discontinued districts.* Deduct that portion of the nontaxable transactions on the front of the return for bad debts, tax-paid purchases resold, returned merchandise, or cash discounts that originally included a district tax that has been discontinued.

**A8.** Add or subtract the amount shown in A6/A7 from the amount on A5. Enter the result on A8.

**A9.** No entries required. The preprinted figures are the district tax rates.

**A10.** Multiply A8 by A9. Enter the result on A10. Certain adjustments in A6/A7, may cause the computed amount to be negative.

### Step 4. Enter your total district tax.

**A11.** Add all A10 entries and enter the total on A11. Carry to line 18 on the front of the return.

## Special Taxing Jurisdictions (Districts)

TAX AREA	DISTRICT	EFFECTIVE DATE	DISTRICT RATE	COMBINED RATE
Alameda County	Bay Area Rapid Transit District (BART)	4-1-70	1/2%	.01
	Alameda County Transportation Authority (ACTA)	4-1-87	1/2%	
Contra Costa County	Bay Area Rapid Transit District (BART)	4-1-70	1/2%	.01
	Contra Costa Transportation Authority (CCTA)	4-1-89	1/2%	
City of Placerville (El Dorado Co.)	City of Placerville Public Safety Transactions and Use Tax (PLPS) <sup>1</sup>	4-1-99	1/4%	.0025
Fresno County	Fresno County Transportation Authority (FCTA)	7-1-87	1/2%	.00625
	Fresno County Public Library Transactions and Use Tax (FCPL)	4-1-99	1/8%	
City of Clovis (Fresno Co.)	City of Clovis Public Safety Transactions and Use Tax (CCPS) <sup>2</sup>	4-1-00	3/10%	.00925
Imperial County	Imperial County Local Transportation Authority (IMTA)	4-1-90	1/2%	.005
City of Calexico (Imperial Co.)	City of Calexico Heffernan Hospital District (CXHD) <sup>3</sup>	10-1-92	1/2%	.01
Inyo County	Inyo County Rural Counties Transactions Tax (INRC)	10-1-88	1/2%	.005
City of Clearlake (Lake Co.)	City of Clearlake Public Safety (CLPS) <sup>4</sup>	7-1-95	1/2%	.005
Los Angeles County	Los Angeles County Transportation Commission (LACT)	7-1-82	1/2%	.01
	Los Angeles County Transportation Commission (LATC)	4-1-91	1/2%	
City of Avalon (Los Angeles Co.)	City of Avalon Municipal Hospital and Clinic (AMHC) <sup>5</sup>	10-1-00	1/2%	.015
Madera County	Madera County Transportation Authority (MCTA)	10-1-90	1/2%	.005
Mariposa County	Mariposa County Healthcare Authority (MCHA)	7-1-00	1/2%	.005
Napa County	Napa County Flood Protection Authority (NCFP)	7-1-98	1/2%	.005
Nevada County	Nevada County Public Library Transactions and Use Tax (NVPL)	10-1-98	1/8%	.00125
Town of Truckee (Nevada Co.)	Town of Truckee Road Maintenance Transactions and Use Tax (TRSR) <sup>6</sup>	10-1-98	1/2%	.00625
Orange County	Orange County Transportation Authority (OCTA)	4-1-91	1/2%	.005
Riverside County	Riverside County Transportation Commission (RCTC)	7-1-89	1/2%	.005
Sacramento County	Sacramento County Transportation Authority (STAT)	4-1-89	1/2%	.005
San Bernardino County	San Bernardino County Transportation Authority (SBER)	4-1-90	1/2%	.005
San Diego County	San Diego County Regional Transportation Commission (SDTC)	4-1-88	1/2%	.005
San Francisco City and County	Bay Area Rapid Transit District (BART)	4-1-70	1/2%	.0125
	San Francisco County Transportation Authority (SFTA)	4-1-90	1/2%	
	San Francisco County Public Finance Authority (SFPF)	10-1-93	1/4%	
San Joaquin County	San Joaquin County Transportation Authority (SJTA)	4-1-91	1/2%	.005
San Mateo County	San Mateo County Transit District (SMCT)	7-1-82	1/2%	.01
	San Mateo County Transportation Authority (SMTA)	1-1-89	1/2%	
Santa Barbara County	Santa Barbara County Local Transportation Authority (SBAB)	4-1-90	1/2%	.005
Santa Clara County	Santa Clara County Transit District (SCCT)	10-1-76	1/2%	.01
	Santa Clara County Transactions and Use Tax (SCGF)	4-1-97	1/2%	
Santa Cruz County	Santa Cruz County Metropolitan Transit District (SCMT)	1-1-79	1/2%	.0075
	Santa Cruz County Public Library District (SZPL)	4-1-97	1/4%	
Solano County	Solano County Public Library Transactions and Use Tax (SLPL)	10-1-98	1/8%	.00125
Sonoma County	Sonoma County Open Space Authority (SCOS)	4-1-91	1/4%	.0025
Stanislaus County	Stanislaus County Library (STCL)	7-1-95	1/8%	.00125
City of Woodland (Yolo Co.)	City of Woodland General Revenue Transactions and Use Tax (WDGT) <sup>7</sup>	7-1-00	1/2%	.005

1. The City of Placerville Public Safety District tax is imposed only in the City of Placerville.

2. The City of Clovis Public Safety Transactions and Use Tax is imposed only in the City of Clovis. Transactions that are subject to the City of Clovis district tax are also subject to the Fresno County Transportation tax and the Fresno County Public Library tax, which are imposed countywide.

3. The City of Calexico Heffernan Hospital District tax is imposed only in the City of Calexico. Transactions that are subject to the hospital district tax are also subject to the Imperial County Local Transportation Authority tax, which is imposed countywide.

4. The City of Clearlake Public Safety District tax is imposed only in the City of Clearlake.

5. The City of Avalon Municipal Hospital and Clinic is imposed only in the City of Avalon. Transactions subject to the City of Avalon district tax are also subject to the Los Angeles County Transportation Commission district taxes.

6. The Town of Truckee Road Maintenance District is imposed only in the Town of Truckee. Transactions subject to the Truckee district tax are also subject to the Nevada County Public Library district tax.

7. The City of Woodland General Revenue Transactions and Use Tax is imposed only in the City of Woodland.

